



OFFICE OF
**VACANT &
PUBLIC PROPERTY
ADMINISTRATION**

A Division of Develop Louisville

LANDBANK MEETING MINUTES

February 26, 2015

Call to Order:

Chairman William Schreck called the February 26, 2015 meeting to order @ 3:15 p.m.

Present:

- **Board Members:**

Chairman William Schreck, Vice-Chairman Ishmon Burks, and JCPS appointee Franklin Jones were present establishing a quorum.

- **Staff:**

Jeana Dunlap
Dena First
Joshua Watkins
Linette Huelsman
Mary McGuire

Jefferson County Attorney's Office:

Jo Ann Burke, Assistant County Attorney

- **Guests:**

Janel Temple- Habitat for Humanity
Lisa Dettlinger- Habitat for Humanity

The February 26th meeting began with Bill Schreck noting that the board members have received a copy of the January 22, 2015 minutes and asked if there were any revisions. Hearing no comments or revisions, Bill Schreck requested a motion to approve the January 22, 2015 meeting minutes. The minutes were unanimously approved as submitted.

OLD BUSINESS

Mary McGuire informed the board that the Vacant and Public Property Administration staff needed to make changes to the option agreement for Resolution 23, Series 2014 that would require Chairman Bill Schreck's signature. The current option agreement requires the buyer to have commercial insurance. The changes would reflect that the buyer could have residential or commercial insurance. Risk Management approved making these changes to the option agreement. Bill Schreck also agreed to sign the new option agreement.



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NEW BUSINESS

RESOLUTION 4, SERIES 2015

- | | |
|------------------------------------|--------------------|
| • <u>1841 Lytle St</u> | <u>015G-0062</u> |
| PVA Value: \$2,800 | Sale Price: \$1.00 |
| • <u>639 S. 39th St</u> | <u>006C-0053</u> |
| PVA Value: \$9,400 | Sale Price: \$1.00 |
| • <u>3507 Hale Ave</u> | <u>045E-0011</u> |
| PVA Value: \$2,500 | Sale Price: \$1.00 |
| • <u>3511 Hale Ave</u> | <u>045E-0010</u> |
| PVA Value: \$2,500 | Sale Price: \$1.00 |

Habitat for Humanity of Metro Louisville is requesting to purchase the unimproved lots at 1841 Lytle ST, 639 S 39th ST, 3507 Hale Ave and 3511 Hale Ave to build new single family homes for qualified, low-income homebuyers. The lot at 1841 Lytle ST is 25x90 and located in the Portland Neighborhood, CD 5. The lot at 639 S 39th ST is 35x214 and located in the Shawnee Neighborhood, CD 5. The lot at 3507 Hale Ave is 50x200 and located in the Chickasaw Neighborhood, CD 1. The lot at 3511 Hale Ave is 25x200 and located in the Chickasaw Neighborhood, CD 1. HFH plans to make the lots available to their Homebuyers immediately, and to have the homes completed by July 2016. The homes will cost an average of \$80,000 to build. Funding will come from the Louisville Affordable Housing Trust Fund, and the offer price is \$1 per lot. HFH is a non-profit homebuilder whose clientele is low-income homebuyers in Jefferson and Oldham Counties. Over the past 30 years HFH has built or remodeled over 400 homes, predominantly in the traditional neighborhoods of Louisville. The properties have been in the Landbank for a combined total of 35 years. It is the staff's recommendation to convey the properties to Habitat for Humanity of Metro Louisville.

DISCUSSION OF RESOLUTION 4, SERIES 2015

Franklin Jones asked how 3507 and 3511 Hale Avenue came into our inventory process. Linette Huelsman replied that they went through a Metro initiated foreclosure process through the VAP (Vacant Abandoned Property) program. Jeana Dunlap added the Vacant and Public Property Administration has over 200 cases in the pipeline now. Franklin Jones asked Janel Temple with Habitat for Humanity if they had ultimate buyers for these properties. Janel replied that they have and they have 6 matched right now. Franklin Jones asked how people qualify for their program. Janel replied that they have to be at a household income between 28% and 80% AMI (area median income), relatively low debt, good payment history on rent and other bills and be willing to partner with Habitat for Humanity to build their sweat equity and go through the educational process. Ishmon Burks ask how people find them. Janel replied that a lot is through word of



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mouth, they reach out to employers, presentations at nursing homes or hospitals. Jeana asked Janel to translate what the AMI range (area median income) into salaries or gross earnings Habitat families usually have. Janel replies a family of four would need to earn around \$18,000.00- \$32,000.00 in order to qualify. Franklin Jones asked if the potential home buyers are in assisted housing. Janel replied some are, but others are just trying to make ends meet with high rent and utility cost. Ishmon Burks asked what happens after a person purchases a home. Janel replied that most of the owners are in contact with Habitat on a regular basis asking questions, but also at the end of each year they have a community gathering for everyone that has purchased a home that year. Franklin Jones asked if President Carter is still an active role in this program. Janel answered yes, but she understands that he is retiring from Habitat, to pursue some other interest; all in all he will always be connected, he has done some amazing work. Ishmon Burks asked if Habitat for Humanity has a program to assist in homelessness. Janel replied no they do not, they were founded as a home ownership program; going below the AMI would not make sense for a lot of people. Conversations have been had how that could assist lower income populations perhaps a transitional renter to home owner program. As of right now they do not have the structure program or capacity right now. Bill Schreck asked out of the 400 plus homes that Habitat has done what the success rate. Janel answered that the 420 plus loans they have closed on 5-7 have experienced foreclosure or a deed in lieu of foreclosure. Other homeowners have sold their home etc. Habitat still holds about 400 of their original mortgages. Franklin Jones asked how many homes they expect to build/renovate in the next 5 years. Janel replied they expect to do 25 this year and increase to 26-27 next year. On average 100-110 over the next four years. Franklin Jones asked where they acquired most of their properties. Janel admitted it has been a challenge. After 2008 they experienced a lot of people desiring to donate property, but that has fallen off. Janel continued by stating that Habitat is grateful that the Landbank has come back and offering properties because it is more expensive. They are beginning to price lower income people on the market because of our market and how much it cost to buy land.

Franklin Jones made a motion to approve Resolution 4, Series 2015 Ishmon Burks seconded, and the motion was approved unanimously.

GENERAL DISCUSSION ITEMS:

Implementation of RFP

Mary McGuire directed the staff to the RFP document in the folders. She outlined there are currently 6 properties with structures on them in the sales inventory that were being placed in the RFP (Request for Proposal). Mary then asked Joshua Watkins to finish with the presentation. Joshua reiterated there are 6 properties that will be in the first RFP that is scheduled to run from March 2, 2015 through March 31, 2015 at 5 pm. They adopted some of the criteria on the current application into the RFP. He continued to say that the RFP includes property summary snapshots and open house times for potential buyers. The RFP also includes sample documents that will help guide them in submission of their proposal.

Ishmon Burks asked how the RFP will be marketed. Linette stated that it will be listed at <http://louisvilleky.gov/government/vacant-public-property-administration/purchase-property->



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[metro](#). Also they have had numerous calls over the past few months regarding interest in the properties, so they have a mailing list to reach out to as well. Franklin Jones asked Linette where she thinks the increase interest in Landbank properties has come from. Linette stated that she thought Lots of Possibility made a big difference. Franklin Jones asked where the requests were coming from. Joshua and Linette both replied that it is widespread. Joshua also added that he thought the reorganization of government departments, including Develop Louisville helped streamline how the public views our government. It also opened up cross communication between different departments and agencies. Mary McGuire added that we are also receiving properties through REO's (Real Estate Owned). Jeana Dunlap commented that the economy is getting better. In a recent meeting she was made aware that permitting has gone up tremendously.

Franklin Jones asked Linette and Joshua to discuss again how the RFP will be marketed. Joshua stated that it will be listed on the metro website, email blast and media blast. Franklin Jones then asked if the "clicks" were being counted on the website and if so what the numbers are. Joshua replied yes they are counted, but he doesn't have the numbers, however he can get them. Ishmon Burks asked if they traveled with the Mayor when he has community conversations. That would be a great way to get the word out. Jeana Dunlap added commented that this weekend Shelby Park is having a renovation expo event in which persons from staff will be there to inform them of resources. Jeana also that if the board knows of a group or organization they should meet with to get the RFP in their hands, let them know. For example the Mayor has a faith forum that consists of church leaders across the city, which would be interested in the RFP.

Bill Schreck asked the basis for these properties were selected or are they primarily the ones that have structures on them. Jeana Dunlap replied that it began to difficult to manage the negotiation process of matching buyers with structures because the staff would be half way through the process with one person and then another would submit their request as well. So the staff thought it would be best to make the properties available for a window of time, giving each person an equal amount of time to submit their proposal. Every structure that comes into the process will be going through this process. Bill Schreck asked if they have to request all the properties or just the one they want. Jeana replied that the RFP includes language that allows them to request one or all properties. Franklin Jones asked if someone could put one bid for all properties. Jeana replied they could, but they would way that against the other proposal. She gave the example that if a investor approached staff wanting all the properties for \$100.00 and it's all going to be rental, but yet there are one or more families that would like to make those homes owner occupants, we would prioritize the owner occupants over the investors.

The board commended the staff for making vast improvements over the past year to the process of purchasing Landbank property and creating the RFP.

House Bill 219 and 279

Jeana Dunlap began by stating the House Bill 219 relates to landbanking in the commonwealth. Just this past week it was passed through the House and they will be going to the senate next. The landbanking bill expands their ability to move more efficiently to disposing and acquiring properties. This bill will allow them to acquire property when they need to. Other items in the



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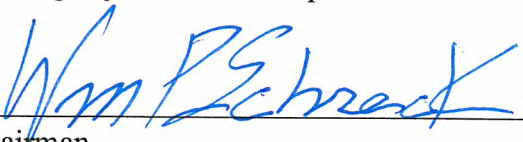
bill have to do with proceeds. Right now that statute calls for a distribution process so to speak. The flip side of that is that the staff are Metro employees. Metro government covers salaries, fringe benefits, working capital, legal advice and maintenance. On average every time one of the maintenance crews cleans up a property it cost \$400.00. In terms of looking at proceeds they would like the right to invest proceeds into the operation on the Landbank. This Landbank bill will give them an opportunity to grow their operation.

Related to that is House Bill 279, which Jeana calls it the blighted properties bill. It has to do with making it easier to acquire blighted and abandoned properties. The demand is there, but the state laws requires every acquisition to go through a process that has typically runs for two years. So house bill makes changes to the spot condemnation powers. It is a form of eminent domain, but doing in the context in the name of neighborhood redevelopment and revitalization. This bill will give them more latitude and will make it a lot cheaper to acquire property. For example if they were to condemn someone who is deceased or alive, they would have to pay fair market value into court for their property that is blighted. The new formula deducts the cost that Metro has invested from the fair market value. Another aspect of the bill is third party tax liens. Many advocates have been pushing for government to stop allowing the sale of delinquent tax bills to third party investors. They would like to define an area or select a property and request the clerk and county attorneys not to sale those tax bills because they are actively trying to do larger scale revitalization.

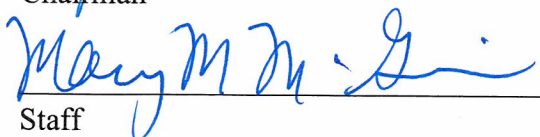
Jeana added that they are headed to the senate next, so any support is greatly appreciated. Ishmon Burks asked how local members are contacted. Jeana Dunlap commented that they have a full time intergovernmental relations person in the Mayor's office. Mary added that five of the sponsors are from Jefferson County.

Ishmon Burks suggested that the Landbank board write a letter to show support of the two house bills. Jeana stated that staff will get out a letter draft and talking points in the near future.


Franklin Jones made a motion to adjourn the meeting, Ishmon Burks seconded the motion. The meeting adjourned at 3:54 pm



Chairman



Staff



Date

